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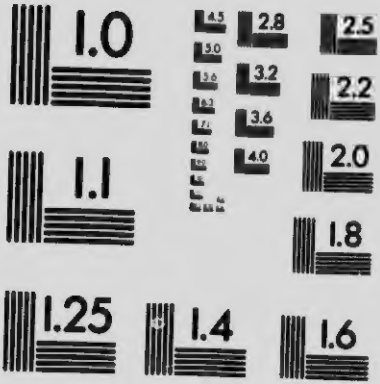

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THE

FINANCES OF THE PROVINCE

SPEECH DELIVERED

IN THE

LEGISLATIVE ASSEMBLY

IN ANSWER TO

HON. E. J. FLYNN'S

CRITICISM OF THE BUDGET

BY

HON. J. C. McCORKILL

MAY 30th, 1904

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THE FINANCES OF THE PROVINCE

Speech Delivered in the Legislative Assembly in Answer to Hon. E. J. Flynn's Criticism of the Budget

BY

HON. J. C. McCORKILL

MAY 30, 1904

MR. SPEAKER,—

In opening I take credit to my predecessor, and the members of the Government generally, for the fact that it required a speech of four hours duration by the leader of the Opposition to reply to the statement of the accounts for the last fiscal year contained in the Budget, which took but one hour to deliver.

It is usually conceded in the practice of law that an attorney who labors for hours in his attempt to convince the court that his case is good, has either a very bad case, or is a very poor counsel. The reputed ability of the leader of the Opposition, both as a lawyer and as a parliamentary debater, is confined neither to the district or the province in which he lives, and I conclude therefore that he must have considered his case a desperate one when he thought it necessary to take up so long a time to answer and criticise the Budget.

While admitting that the statement of the Treasurer is "methodical and clear" he complains of its contents, and thought it was intended as a piece of campaign literature.

It was quite apparent that the leader of the Opposition thought the statement of the accounts to be a dangerous one to his party, and therefore made an ingenious attempt to destroy its authenticity, and minimise its effect.

I wish to bear testimony to the courtesy of the criticism, and join in the tributes which have been paid to the leader of the Opposition by my colleagues in that respect.

According to parliamentary procedure there is no limit to the subjects which a speaker may discuss upon a motion to go into supply. The leader of the Opposition has luxuriated in this privilege, but I do not intend to follow him throughout. My observations will be confined more particularly to the various sections in support of the conclusion of his motion.

IN ANSWER TO ITEM 1, WHICH IS AS FOLLOWS:

I. That, without the sale of timber limits ,the Public Accounts for 1902-03 would have shown a deficit of $191,202.03, taking the proceeds of the

sale at $352,204.58 as appears at page 21b of the report of the Minister of Crown Lands for 1903, and a deficit of $201,101.56 if we take the figures of $361,904.09 given us by the Minister himself.

His first declaration is that without the sale of timber limits there would have been a deficit of either $191,202.03, or $201,101.56, according to whether the price realized from the leasing of timber limits was $352,004.58, or $361,904.09, either of which sums he considers should be deducted from the ordinary revenue of the province.

My answer to this is, that the same policy was followed in my department during the year 1902-3, with respect to the amount realized from the leasing of timber limits as has been followed ever since 1867. Each year the limits have been leased the amount has been credited up to the general account of the province.

Why should the leader of the Opposition be permitted, for the purpose of showing there was a deficit during the last fiscal year, to deduct from the general revenue this particular item of receipts ? If this may be permitted at the present time, why should he not be permitted to deduct any other item of receipts in the future, should he find it necessary to do so in order to show a deficit ?

From 1867 to 1897 the various Governments leased 39,816.11.60 miles of timber limits, from which they realized $944,116.94.

This amount was credited up from year to year between 1867 and 1897, to the general revenue of the province. In crediting the amount realized during the year 1902-03, from the same source we have but followed the policy of our predecessors, about which there was never any complaint whatever, or any pretention that it was not in the best interest of the province.

We believe that it is in the interest of the province to lease our limits under the restrictions which now prevail, and as has been so frequently declared in this House, and out of it, we believe that if settlers, and lumbermen will observe the regulations, and we can keep fire from our limits, we may continue annually to derive a profitable revenue from this source.

I would here like to draw attention to the change of attitude on the part of the honorable member for Dorchester with respect to the lumbermen who have leased limits from the province.

In the County of Brome he denounced them without exception, and gave the Nemtaye and Lajoie cases as samples of the manner in which they treated the colonists.

In his speeches upon the Crown Lands bill he went out of his way to say a word on behalf of the Canadian lumbermen, and reserved the vials of his wrath for the American lumbermen.

During the course of his remarks the honorable leader of the Opposition, also to further reduce the revenue of the province, deducted the railway subsidies tax, asserting that it did not properly belong to the general revenue.

My answer to this is that immediately after the passage of the law in 1890 establishing this tax, the sums collected under it were applied to the redemption of our debentures, and the payment of law costs. No railway subsidies fund under the strict meaning of the term mentioned in the statute of 1890, was ever established. During the regime of our opponents some of these taxes were refunded—presumable to favorite companies—out of the Consolidated Revenue Fund of the Province, and since this time any taxes which have been collected have been applied in the reduction of this debt.

My predecessors have credited these taxes to the general receipts of the province, and I think quite correctly so.

I emphatically deny the right, under these circumstances, of the leader of the Opposition, to deduct the prices realized from the sale of our timber limits, and the railway subsidies tax, in order to establish that there was a deficit instead of a surplus.

His deduction that there was a deficit of $201,101.56, or any other sum, was erroneous and unjustifiable, but on the contrary the surplus of $103,712.22 given by me in my statement was correct."

IN ANSWER TO ITEM 2, WHICH IS AS FOLLOWS:

2. That for the current fiscal year (1903-04) the figures which we have before us, namely, the vote of the Legislature, the Special Warrants and the Supplementary Estimates, with the receipts foreseen by the late Treasurer, namely:

Total expenses.....	$4,639,402.06
Receipts.....	4,463,765.34
Leave a deficit of.....	$ 175,636.72

And, as for the year 1904-05, for which the Treasurer claims according to his estimates, a surplus of $13,541.95, there is nothing in his calculations of a nature to reassure the House; that, on the contrary, he increases the ordinary expenses to the extent of $151,212.71 over 1902-03, namely:

Foreseen ordinary expenses.....	$4,681,829.59
Ordinary receipts, 1902-03.	4,530,613.88
Increase.....	$ 151,212.71

And even, to attain the figure of receipts which he estimates, he increases beyond measure the revenue, especially that derived from the taxes on commercial corporations and successions.

(a) In answer to the estimated deficit for the current year of $175,636.73, I have to say that I have no doubt whatever that the total of receipts for the year on the 30th June will more than wipe out this amount.

It was estimated by my predecessor that we would receive only $258,000.00 from succession duties. We have already received $304,951.65.

I also feel sure that the receipts from licenses, and from lands, mines and fisheries will also exceed the estimates. We last year received $220,794.24 more from lands, mines and fisheries than was the estimated receipt for the current year, and there is no reason to believe that when the returns are all in, the current year will show a falling off from the returns of last year.

In discussing his estimated deficit for the current year, the honorable leader of the Opposition stated that last year he estimated the deficit at $100,887.91.

The result of the year's operations have shown a surplus of $103,712.22.

The honorable leader was out in his calculations just $204,600.16.

I am not surprised at such poor judgment, for the honorable leader and his colleagues erred in like manner year after year between 1892-97.

For instance, the Honorable Treasurer of the time estimated that the year's operation of the fiscal year 1896-7 would show a surplus of ordinary receipts over ordinary expenditure of $160,864.68. There was actually a deficit of $810,484.20, a difference of $971,348.88.

For the fiscal year 1897-8 it was estimated by our predecessors there would be a surplus of $2,705.40. There was an actual deficit of $187,030.33, a difference of $189,735.73.

Although I am a comparatively young Treasurer, I think I may safely claim that my estimate is as worthy of acceptance as is that of the honorable leader of the Opposition, and I have no hesitation in declaring that I am confident that the next Budget speech will only confirm the assurances that I am now giving to the honorable leader of the Opposition, to this House, and to the province.

(B). Re increase of estimated ordinary expenditure for the year 1904-5 over the year 1902-3 of $151,212.71.

Although the forseen ordinary expenditure for the year 1904-5 exceeds the ordinary expenditure for the year 1902-3 by the sum of $151,212.71, the actual receipts for the year 1902-3 exceeded those of the previous year by the sum of $184,602.99, and in like manner the estimated ordinary receipts for the year 1904-5 show an increase over the actual ordinary receipts for 1902-3 of $17,621.85, being, as estimated, $13,541.95 in excess both of the ordinary and extraordinary expenditure for the year 1904-5.

The increase in population, enterprise, and development of the Province accounts for the estimated increase of expenditure for the year 1904-5, and is explained by certain unusual expenses and increases, which are as follows:

Interest on Public Debt ...	$ 31,892.46
Administration of Justice .	22,874.10

PUBLIC INSTRUCTION.

Normal Schools	5,500.00
Inspection of Schools	7,000.00

COLONISATION.

Roads	25,000.00

PUBLIC WORKS.

Repairs to Court Houses and Gaols.....	7,850.00
Court House at Valleyfield, fixing ground, furniture, etc.	7,909.93
Construction of building in Montreal ... ... '	15,000.00
Bridge in Metapedia	15,000.00

AGRICULTURE.

Construction of dairy school at St. Hyacinthe	17,000.00
	$155,026.49

The leader of the Opposition fears that I have estimated beyond measure the receipts for the coming year. I have estimated these receipts at $4,747,394.72. The actual receipts for the year 1902-3 were $4,639,772.87, increase $47,621.85.

The increase in receipts for the current year over the same period of last year is $161,971.38, and there is no reason whatever to believe that the receipts during the remainder of the year will show a decrease as compared with the corresponding period of last year.

Succession duties alone show an increase of $172,693.87 over the receipts from this service during the corresponding period of last year, and commercial corporations show a corresponding increase of $36,403.54.

I cannot possibly see why the tax on commercial corporations should not continue to correspondingly increase, not only for the balance of the year, but for the coming year. Commercial firms continue to be organized into joint stock companies, and naturally each new company must pay tribute to the province according to its capital.

Another item which, owing to the change of the law during the present session, should give us an increased revenue in the future is the incorporation of companies under letters patent.

I conclude, therefore, from past experience of the annual increases from Commercial Corporations, Licenses, Successions, etc., due to the increase of wealth, population, enterprise and prosperity of the Province, that the receipts for the year 1904-5 will exceed my estimates.

IN ANSWER TO ITEM 3, WHICH IS AS FOLLOWS:

3. That the comparisons which the Treasurer makes of the sums expended for public instruction, agriculture and colonization under the Conservative regime and the Liberal regime respectively tend to show that the latter has expended more, hardly benefit the Government's cause, and do not establish that he has on the whole done better than his immediate predecessors, the expenditure for public instruction as regards public schools having remained at the figure authorized under the Conservative Government, and the use made by the Government of the special grant under the Act 60th Victoria, or of a good part of it at least, not having been for the ends provided by the statute. As for agriculture and colonization, a comparison between the years 1896-97 and 1902-03, gives practically the same budget for agriculture and colonization, an increase of $59,400 thus:

Colonization,	1896-97...	$160,900.00
"	1902-03...	110,500.00
Increase.....		$ 59,400.00

for the Conservative year.

The details to this item with respect to Public Instruction and Agriculture are to be found in my Budget speech.

The details of Colonization are not given, and I therefore give the following :—

EXPENDITURE UNDER CONSERVATIVES 1892-97

1892-3...	$ $1,100.00
1893-4	79,077.65
1894-5...	86,000.00
1895-6.....	116,100.00
1896-7...	169,900.00
Total...	$532,177.65
Average.....	$106,435.53

Expenditure under Mr. Marchand, 1897-1900 :—

1897-8	$106,000.00
1898-9	79,000.00
1899-1900	124,000.00
Total	$309,000.00
Average	$103,000.00

Expenditure under Mr. Parent 1900-1903 :—

1900-01	$119,000.00
1901-02	112,540.00
1902-03	110,500.00
Total	342,040.00
Average	$114,013.33

Average annual increase under Parent Government, $7,577.80, making for the past three years the sum of $22,733.40.

It is an extraordinary fact which requires explanation from the honorable leader of the Opposition, or his supporters, that notwithstanding the fact that the finances during the last year of the Conservative Government were in such a bad condition they increased the three popular items of Public Instruction, Colonization and Agriculture over the expenditures of the previous year by the following sums :—

Public Instruction	$ 27,350.24
Agriculture	64,011.00
Colonization	53,800.00

Being a total increase for these three items in the year 1896-7 over the expenditure in 1895-6 of 145,111.24.

Why was this sudden extravagance, notwithstanding decreasing revenue ? Surely the expectation of general elections before the end of the fiscal year 1896-7 had nothing to do with it ?

The comparison made in this item for Colonization between the years 1896-7 and 1902-3 is therefore unfair.

AGRICULTURE.

In the early part of the Hon. leader's speech, he objected to being made accountable for the fiscal year 1896-7 because they went out of power before the end of the year, but in discussing the question of agriculture he takes full credit to the Government for the expenditure on this item of service for the year 1896-7, amounting to $235,795.75, and compares it with the year 1902-3, which amounted to $238,412.04, leaving a difference of only $2,616.29, from which he concludes that the present administration is devoting very little more money to agriculture than did our predecessors.

This comparison is unfair, as the expenditure for the year 1896-7 does not give a fair idea of the general expenditure for purposes of agriculture during the regime of our predecessors.

They spent in the year :

1892-3	$191,[illegible]
1893-4	163,786.36
1894-5	2[illegible],636.62
1895-6	[illegible],784.75
1896-7	235,795.75

or an average of $[illegible],555.8[illegible], compared with the average of 1897-1900, $194,018.28 and with 1900-1903, $221,195.82.

The honorable leader of the Opposition criticized me for giving particulars of the expenditure for public instruction, agriculture, colonization, and not some of the other services.

The reason why I did so was because I had noticed that our opponents, on the platform and in the press, frequently asserted that we were doing nothing for the improvement of these important departments.

IN ANSWER TO ITEM 4, WHICH IS AS FOLLOWS:

4. On the two following items amongst the expenditure, namely: Administration of Justice and Civil government, on the head of which the Treasurer did not deem proper to indulge in a comparison, the official figures give the following results:

(a) Administration of Justice, Liberal regime, for the five years from 1897-98 to 1901-02	$3,161,979.46
And for six years including 1902-03	$3,827,837.91
While under the Conservative regime, from 1892-93 to 1896-97, this expenditure only amounted to	$2,970,984.95

which gives for the Liberal average, for five years, a sum of $632,395.89, while for the five years of the Conservative administration, the average is only $594,196.99, making an increase of $38,198.90 under the present regime and, if we take the average of the six years of the Liberal adminis-

tration, it is $637,972.95, making an increase of $13,775.96.

The average increase of expenditure for the administration of justice in the province since 1897, is very easily explained.

It is not due to the increase of salaries as was erroneously stated by the honorable leader of the Opposition, for in this respect there has been a substantial decrease. Take the Montreal Court House alone for instance. On the 30th of June, 1897, they were paying annual salaries aggregating $220,-008.75. On the 1st February, 1904, the aggregate of salaries there was $186,133.86, showing a decrease in favor of this Government of $33,874.-89.

The annual increase is explained by the increased cost on criminal justice in the Province, due principally to the importance of the trials before both the magistrates and the Court of King's Bench. Take the items of Sheriffs contingencies, coroners, district magistrates, police and building and jury fund. The total expended on these services from 1892-97 was $1,506,593.80. During the period of 1897-1902, it was $1,689,752.42, or an average increase during the five years 1897-1902, of $36,631.72. The total expended during 1892-97 was $1,-506,593.80, or an average of $301,318.-76.

The total expended during 1897-1902 was $1,689,752.42, or an average of $337,950.48.

The total expended during 1897-1903 was $2,053,161.09, or an average of $342,193.51.

The increased cost of the administration of justice is further explained by the annual cost of the elevator in the Court House, Quebec, amounting to $2,000.00.

There are also additional expenses for lighting by electricity where it can be done.

I respectfully submit, therefore, that under the circumstances there is no justification whatever for criticizing the Government because of this annual increase in the cost of the administration of justice.

We admit that as the population increases and new sections of the country are opened, and new courts and districts established, the expenditure for the administration of justice is necessarily increased, but the leader of the Opposition has failed to mention a single item of expenditure which was not prudently and necessarily expended, although they appear in the public accounts.

In return for the increased expenditure we have guaranteed to the province and the country an administration of justice second to none in the world, and a respect for law and order that leaves nothing to be desired, and it would be criminal on the part of the Government did it not increase the expenditure where it was necessary, more particularly as it has been enabled to meet the increased expenses.

IN ANSWER TO ITEM 4b, WHICH IS AS FOLLOWS:

(b) Civil government, comprising salaries and contingencies, for the Conservative regime, 1892 to 1897, total.....	$1,290,539.58
or an average of... ...	258,127.91
Liberal regime, total...	1,388,306.74
or an average of... ...	277,661.34

making an increase under the Liberal regime of $19,533.43 and if we take the average of the six years of the Liberal administration, it is $276,790,-72, making an increase of $18,662.81.

With respect to Civil Government, we explain the increase of expenditure by the increasing business of the province, and the much greater amount of business that requires to be done.

While the general average of expenditure from 1892-97 was less than the general average of expenditure between 1897-1903, the Public Accounts show that during the last year of the Conservative regime, 1896-97, the expenditure for this service was $277,-247.91, while the expenditure during the year 1902-3 was only $272,437.61.

The Government deserves a great deal of credit with respect to this item notwithstanding the general average which was given by the leader of the Opposition, for during the first year of the Parent administration the expenditure for this item was $278,-307.42, while last year it was only $272,437.62.

IN ANSWER TO ITEM 5, WHICH IS AS FOLLOWS:

5. The ordinary expenditure of the Government for the period between 1897-1898 and 1901-02, which has gradually increased year by year, amounts to the sum of $21,944,138.09, while, for the five previous years, under the Conservative party, it amounts to only $20,590,794.87, thus:

Liberal regime...	$21,944,138.09
Conservative regime...	20,590,794.87
Increase under Liberal regime.....	$ 1,353,343.22
Liberal average...	$ 4,388,827.61
Conservative average.....	4,118,158.97
Difference in favor of Conservative party....	$ 270,668.64
But the year of 1903 must be added, which gives a total for six years of the Liberal regime of.....	$26,474,754.97
Giving an average of.	4,412,459.16

For six years making an increase under the present regime of $294,300.19 over the Conservative average.

I join issue with the honorable leader of the Opposition wherein he confines to expenditure alone what is generally termed ordinary expenditure.

Extraordinary expenditure has to be met out of the ordinary receipts of the Province as well as ordinary expenditure, and in estimating the surplus for the last fiscal year at $103,-712.22. this represented the amount of receipts over ordinary and extraordinary expenditure.

There is a special reason why the honorable gentleman wishes to confine himself conclusively to ordinary expenditure, and that is because of the great excess of extraordinary expenditure during the period of 1892-1897 over that of 1897-1903.

From 1892-1897 there was expended by the then Government for extraordinary purposes $1,017,.035.97, which being added to the figures given by the honorable gentleman in his motion for ordinary expenditure, namely $20,590,794.87, forms a total of $21,-607,830.84, or an average expenditure of $4,321,566.17.

The total of ordinary and extraordinary expenditure from 1897-1903 (six years) was $26,652,774.90, an average of $4,442,129.15.

Deducting the average expenditure, during the period of 1892-1897, from that of the period between 1897,1903, leaves a difference of only $120,562.98, instead of the difference of $294,300.19 as mentioned in the motion.

The difference of $120,562.98 is more than made up by the increased expenditure on Public Instruction, Colonization, and Agriculture, which averaged an excess of annual expenditure during the period 1897-1903 over that of 1892-1897, of $97,717.38.

IN ANSWER TO ITEM 6, WHICH IS AS FOLLOWS:

6. That, after having condemned, while in Opposition, the imposition of taxes, the party now in power, far from abolishing them or reducing them, as they should have done, had they been consistent, has collected during six years of its administration the enormous sum of $2,508,140.79 for taxes on commercial corporations and successions, and for five years of its administration from 1897-98 to 1902 an average sum of $354,663.62, which gives an increase of 60,450.85 over the average for the Conservative administration of $294,212.71 for the same number of years.

In answer to item six, in which it is alleged we are inconsistent in having availed ourselves of the taxes collected on commercial corporations and successions, and a comparison of the amounts realised is sought to be made, which I consider unfair.

When the taxes upon corporations and successions were imposed, taxes also were imposed upon transfers of property and upon certain persons.

In comparing the receipts from taxes between the period 1892-97 and 1897-1903, we should include not only taxes on commercial corporations and on successions, but those also on transfers of property, certain persons, and manufacturing and trading licenses.

Naturally as the country increases in population and prosperity, as men become richer, and as more money is invested in business, the revenue from corporations and successions will increase from year to year.

We have received more from corpor-

ations and successions during the past six years than was received during the Conservative regime, but if we compare what we have received annually since 1897 from all the above sources of direct taxation with the amounts received annually from 1892-97, we find that in the latter period our opponents collected $2,987,736.85, being an average of $597,547.36, as compared with the total received from 1897-1903 of $2,532,160.80, or an average of $422,096.80, being an annual excess for 1892-97 over 1897-1903 of $175,520.57.

The difference would be still greater if the year 1902-03 were not included.

It became necessary, therefore, to provide for an average decrease in our revenue since 1897 of $175,520.57, which I am happy to say has been successfully done.

IN ANSWER TO ITEM 7, WHICH IS AS FOLLOWS:

7. That, without the sale of timber limits which, during the Liberal administration has brought in $1,455,-567.57, there would have been yearly deficits amounting in all to $1,324,-639.83.

With respect to the assertion contained in paragraph seven that there would have been deficits during our administration aggregating $1,324,-630.83, without the sale of timber limits, I have to say that between 1867 and 1897 the various Governments of the day credited up to the general revenue of the Province $944,-116.94 from their leases of timber limits.

If they did not credit more to the account of revenue it was not for want of effort on the part of our predecessors for they leased over 39,816 square miles for $944,116.94, whereas we obtained for only 17,654 square miles the sum of $1,455,567.57.

Why should not the present Government be permitted during its term of office to credit up to the general revenue the receipts from the leasing of these limits more particularly as the quantity sold was very much less, whilst the prices realized were very much more.

IN ANSWER TO ITEM 8, WHICH IS AS FOLLOWS:

8. That the party now in power, after condemning while in Opposition the practice of issuing special warrants, has issued the same for an amount of $1,054,507.67 since 1897.

The issue of special warrants has been due to certain unexpected expenditures which were unprovided for in the estimates. In my estimates for the coming year I have tried to provide against the necessity of issuing special warrants.

This will account largely for the difference between the estimates for the year 1903-4 and the year 1904-5.

IN ANSWER TO ITEM 9, WHICH IS AS FOLLOWS:

9. That it has not kept any of its promises to reduce the ordinary expenditure of the Government, to restore true equilibrium in the finances, to effect retrenchments or economies, that, on the contrary, the official figures show that its solemn promises made to the people have been broken.

My answer to paragraph nine is that my budget speech, as well as those of my predecessors, shows that at least we have paid our debts from year to year, and have therefore kept an equilibrium in our finances since the first year of the Liberal administration, which was not done during the period of 1892-97, notwithstanding the promises made by our opponents prior to their return to power.

If our expenses have increased, the immense progress in trade and development generally of the Province has made it impossible to keep the expenses down but I am sure that as long as we keep the expenditure within the revenue of the Province, we shall have fulfilled the most important promise which was made by the late Hon. Mr. Marchand, the promise upon which all others were based, namely of restoring an equilibrium in our finances.

IN ANSWER TO ITEM 10, WHICH IS AS FOLLOWS:

10. That even with regard to the readjustment of the Federal subsidy, the Government, after a period of seven

years of expectation and repeated expressions of hope, is not more advanced than at the outset of its administration, and that the reproaches addressed by the Liberal party on the subject to the Conservative party, when the latter was in power in Quebec, apply with still more reason to those who now govern.

We are criticized because we have not succeeded in bringing about a readjustment of the federal subsidy.

I will admit that we are disappointed that we have not yet succeeded in doing so, but we are still hopeful that the justice of the cause of the Provinces will soon appeal to the authorities of the Dominion, and that we may receive a considerable increase from this item.

IN ANSWER TO ITEM 11, WHICH IS AS FOLLOWS:

11. That, contrary to the strict duty of a Finance Minister under our constitutional system, the Treasurer does not indicate the ways and means for providing for all the charges of the public service and gives us merely the prospect of seeing the Government continue to resort to the expedient, whereof it makes an abuse of putting up for sale other areas of the public domain for timber licenses, with the intention of thus meeting the deficits which otherwise will necessarily occur and even to a greater degree than in the past, owing to the gradual increase of expenditure which the Treasurer's financial statement points out.

I am criticised in item eleven by the honorable leader of the Opposition because I have not indicated new ways and means for providing for the expense of public service. The only ways and means which my honorable friend could have been thinking of were those which are dear to the Conservative heart, namely direct taxes; that is, the re-imposition of the taxes which he abolished, the imposition of new taxes, or the resorting to public loans.

I am happy to say that I have not yet found it necessary to oblige our opponents in this respect, and I trust I may never have to do so while I have the honor to fill the office of Treasurer.

IN ANSWER TO ITEM 12, WHICH IS AS FOLLOWS:

12. That, on the whole, the Government has failed in the task it had undertaken, has not kept the promises made to the electors of the Province both by itself and by the party it represents, although it has had all the time necessary for such purpose, and offers no satisfactory solution to the financial problem revealed by its administration.

That, under the circumstances, this House is of opinion that "the usefulness of this Government is gone," and that the public interest demands that it be replaced by another administration which will be better in a position to meet the situation and respond to the needs and aspirations of the people of this Province.

The declaration of the honorable member in item 12, that the Government has failed in its task of administration, is surely thoroughly answered by the financial statement contained in the budget, and by the answer which I have given him to his criticism.

To know that the assertion that "the usefulness of this Government has gone" is entirely without foundation, one has only to converse with the leading bankers and business men of the Province, when he will be reassured that the confidence which was imposed in it at the general elections of 1900 still prevails.